

Message Text

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TAGS: TGEN, OECD

SUBJECT: OECD/CST - MAY 12 MEETING OF AD HOC POLICY GROUP
ON MULTINATIONAL ENTERPRISES

REF: (A) DAS/SPR/74.52, (B) DAS/SPR/74.73, (C) USOECD 11066

(D) DSTI/SPR75.35

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DELIVER TO KRAMISH AND KORP 9AM MAY 12.

1. SUMMARY. GUIDANCE IS PROVIDED FOR SUBJECT MEETING. WITH REFERENCE TO DRAFT STANDARDS, IME(75)4, PARA 47, WE RECOMMEND SIMPLIFIED GENERAL STATEMENT. WE ALSO RECOMMEND SIMPLIFYING CST STUDY PROGRAM FOR EARLY RESULTS. END SUMMARY.

2. BASIS OF CST STUDY IS PROVIDED IN PARAS 8-9 OF REF (A) WHICH WERE DRAWN FROM INTERIM REPORT TO COUNCIL, SPT(74)19. WE STILL STRONGLY FEEL THAT PROPOSED WORK PROGRAM, PARAS 21-25 OF REF (A), IS OVERLY AMBITIOUS AND UNNECESSARILY COMPLEX PARTICULARLY IN ATTEMPTING TO PROVIDE INPUT AT AN EARLY DATE TO OVERALL OECD-MNE STUDY. WE QUESTION VALUE AND FEASIBILITY OF EXTENSIVE ANALYTICAL FACT FINDING EXERCISE IN SELECTED INDUSTRIAL SECTORS WHICH COULD EASILY GO ON FOR YEARS. STUDY SHOULD

FOCUS ON SPECIFIC POLICY ISSUES IN ANSWER TO QUESTIONS, PARA 26 OF REF (A), AS SUPPLEMENTED IN PARA 6 OF REF (B). THESE ARE QUESTIONS PROPOSED BY US WHICH COULD BE DEALT WITH BY QUALIFIED OECD CONSULTANTS THROUGH INTERVIEWS WITH FIRMS (VIA BIAC) AND NATIONAL AUTHORITIES.

3. ALTHOUGH AD HOC POLICY GROUP GENERALLY AGREED ON SECRETARIAT PROPOSALS IN SPITE OF US AND UK RESERVES, US DEL SHOULD RESTATE OUR VIEWPOINT, PARA (2), ABOVE, IN ATTEMPT TO SIMPLIFY METHODOLOGY AND FOCUS STUDY ON POLICY ISSUES AND EARLIER RESULTS. WE SINCERELY QUESTION WHETHER COUNTRIES AND PARTICULARLY THE US AS WELL AS RELEVANT FIRMS COULD SUPPLY EXTENSIVE DATA REQUIRED. IN ANY CASE WE OPPOSE ANSWERING DETAILED QUESTIONNAIRES OR SEEKING INFO FROM FIRMS THROUGH US GOVERNMENT CHANNELS. ANY SUCH REQUIREMENT WOULD FORECLOSE US PARTICIPATION IN STUDY. IF ANALYSIS OF INDUSTRIAL SECTORS (PHARMA-CEUTICALS, COMPUTERS, FOOD-PROCESSING) IS PURSUED, IT SHOULD BE UNDERTAKEN THROUGH ADVICE FROM AND CONSULTATION WITH BIAC.

4. WITH REFERENCE TO COMMENTS ON IME(75)4, US DEL SHOULD DRAW ON EXPERIENCE OF MISSION STAFF AND RESULTS UNCLASSIFIED

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OF MEETINGS OF COMMITTEE ON INTERNATIONAL INVESTMENT AND MNE'S AND INFORMAL DRAFTING GROUP WEEK OF APRIL 28. WITH RESPECT TO TECHNOLOGY TRANSFER ISSUES:

- A. PARA 21, (CC). AGREE WITH ONLY VERY GENERAL STATEMENT CONCERNING TECHNOLOGY AT THIS TIME.

-B. PARA 25, GENERAL POLICIES, ITEM (3) IS MUCH BROADER

THAN TECHNOLOGY ISSUE, AND US POSITION SHOULD BE SETTLED
IN TIME.

- C. PARA 46. GENERAL STANDARD SUFFICIENT AT THIS TIME.
WE FEEL NO TECHNOLOGY TRANSFER STANDARD WOULD BE NECESSARY
IF ONLY RELATIONSHIPS AMONG OECD COUNTRIES WERE BEING
CONSIDERED, BUT RECOGNIZE THAT REAL ISSUES ARE WITH
LDCS.

- D. PARA 47. WE PREFER SECRETARIAT VERSION, BUT ONLY
ITEM (1). WE RECOMMEND REVISING ITEM (2) AS FOLLOWS:
"SHOULD, TO THE FULLEST EXTENT PRACTICABLE, ADOPT IN
THE COURSE OF THEIR BUSINESS ACTIVITIES PRACTICES
WHICH PERMIT THE RAPID DIFFUSION OF TECHNOLOGIES
WITHIN THE CONCEPT OF ESTABLISHED MEASURES FOR PROTECTING
INTELLECTUAL AND INDUSTRIAL PROPERTY."

- E. PARA 48. WE BELIEVE PROPOSED STANDARD IS ADEQUATELY
COVERED IN SECTION OF STANDARD DEALING WITH "RESTRICTIVE

PRACTICES AND COMPETITION", PARTICULARLY IN REVISED US
VERSION OF SECRETARIAT SUBPOINT (4).

5. WITH REFERENCE TO PARAS 72-82 OF TUAC DOCUMENT, WE
HAVE NOT HAD SUFFICIENT TIME FOR CAREFUL REVIEW. IT
MAY BE POSSIBLE, IF NECESSARY, TO PROVIDE WRITTEN
OBSERVATIONS AT A LATER DATE. USG POSITION ON THE
RECOMMENDATIONS OF THE UN-ECOSOC "EMINENT PERSONS REPORT"
ON MNC'S DEALING WITH TECHNOLOGY TRANSFER ARE CONTAINED
IN "THE VIEWS OF THE USG" ON THIS REPORT. KISSINGER

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